

Payment by Count of Refund Value to Consumers

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

Legend:

Underline Proposed Permanent Additions
~~Strikeout~~ Proposed Permanent Deletions

SUBCHAPTER 5. PROCESSORS

Article 3. Accounting and Reporting Requirements

§2430. PAYMENTS.

(a) Payments to recycling centers.

(1) Substantiation of payment. Notwithstanding Section 2530(b)(1) of these regulations, a certified processor shall not inspect, weigh or receive a load of material subject to the Act unless and until a completed shipping report accompanies the load of material delivered to that certified processor's site. The processor shall weigh the material, inspect the material pursuant to Section 2401 of these regulations and compare the total received weight of the material with the shipment of the total redemption weight as set forth in the shipping reports, which shall accompany the shipment of material pursuant to section 2530 of these regulations. If the received weight is sufficient to support the redemption weight claimed by the recycling center, the processor shall pay in accordance with (2)(A) below. If the total received weight is not sufficient to support the redemption weight claimed by the recycling center, the processor shall pay in accordance with (2)(B) or (2)(C) below. The processor shall complete the shipping report as outlined below and shall return an exact duplicate (not a photocopy) of the completed shipping report to the recycling center. The processor shall complete the shipping report by:

(A) weighing and certifying the total received weight of the shipment; and
(B) verifying the calculations on the shipping report, including the calculations of refund value, and processing payments, considering any appropriate adjustments pursuant to (2) below; and

(C) signing and dating the shipping report to verify the receipt of the material as indicated on the report; and

(D) indicating in writing if the material received has been canceled as authorized pursuant to subsection 2110(b) of these regulations.

(E) indicating whether the load is segregated or commingled.

(2) Calculation of payment and fee. Processors shall pay for the lesser of (A) or (B):

(A) all reported refund value paid by the recycling center to consumers or

to another certified recycling center, as documented by the shipping report; or

(B) the refund value appropriate for the weight of material actually delivered to the processor. If redemption weight is reduced pursuant to this section, the refund value, and processing payments shall be reduced proportionately.

(C) Notwithstanding subsection (2)(B) above, the refund value, and processing payments shall not be reduced when the redemption weight does not exceed the total received weight by more than two and one-half percent (2 1/2%) of such total received weight. When this weight variance exceeds two and one-half percent (2 1/2%), the refund value and processing payments shall be reduced pursuant to subsection (2)(B) above.

(3) Payments shall also include three-fourths of one percent (3/4%) of refund value to be paid by the processor for administrative fees and a portion of the processing payment.

(4) Except as provided in 2(C) above, a processor shall not pay refund value payments in excess of that warranted by the received weight of a shipment.

(5) Processors shall not make any payments pursuant to the Act for materials which have not been delivered to the processor unless the following conditions are met:

(A) The shipper is a certified recycling center to which the processor has given authorization to cancel pursuant to section 2110 of these regulations; and

(B) The delivery to a location of end use and cancellation are verified in accordance with section 2420(d) of these regulations.

(6) In the case of processors that do not take delivery of the material, the weight shall mean the weight received by the entity to whom the material is physically delivered.

(7) In no case shall a processor make any payments pursuant to the Act for any material which the processor has rejected for any reason.

(b) Payments to curbside programs. Processors shall pay the refund value, administrative fees and any applicable processing payments for materials delivered to the processor from curbside programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(e)(f) of these regulations.

(1) Substantiation of payment. The processor shall compute the refund value, administrative fees and applicable processing payments based upon the materials delivered on the shipping report prepared pursuant to subsection 2425(c) of these regulations. The processor shall provide a duplicate copy of the shipping report to the shipper. Notwithstanding any other provision of this subchapter, curbside programs may not be paid at more than the applicable statewide average commingled rate, or the Division's approved individual commingled rate.

(2) Calculation of payment and fee.

(A) The processor shall pay based on actual weight of the materials received by material type multiplied by the applicable statewide average commingled rate, or the Division's approved individual commingled rate, multiplied by the sum of:

1. the segregated refund value per pound; and
2. any applicable processing payment per pound for that material type.

(B) In addition, administrative fees shall be calculated as three-fourths of

one percent (3/4%) of the total refund value.

(c) Payments to dropoff or collection programs and community service programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(e)(f) of subchapter 6 of these regulations. Notwithstanding any other provision of this subchapter, dropoff or collection, and community service programs may not be paid at more than the applicable statewide average commingled rate, or the Division's approved individual commingled rate

(1) Substantiation of payment. Based on materials received, the processor shall prepare a shipping report which states the refund value and applicable processing payments paid. The shipping report shall be prepared pursuant to subsection 2425(c) of these regulations. The processor shall provide a copy of the shipping report to the shipper.

(2) Calculation of payment and fee.

(A) The processor shall pay based on actual weight of the materials received by material type, multiplied by the applicable statewide average commingled rate, or the Division's approved individual commingled rate, multiplied by the sum of the following:

1. the segregated refund value per pound; and
2. any applicable processing payment. Processing payments shall be calculated using the applicable commingled rate.

(d) Payments for canceled material. The authorizing processor shall make payment in accordance with Section 14573.5 of the Act, to recycling centers for canceled material provided the material is shipped to the authorizing processor or to a location designated by the authorizing processor. For such transactions, program payments will be issued by the Division to processors issuing the written authorization to cancel. Program payments will not be issued by the Division to processors for loads for which they have received authorization to cancel.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14518.5, 14539, 14552(a), 14572 and 14573.5, Public Resources Code.

SUBCHAPTER 6. RECYCLING CENTERS

Article 3. Accounting and Reporting Requirements

§2525. RECORDKEEPING.

Recycling centers shall maintain the following records in accordance with the general requirements set forth in section 2085 of these regulations.

(a) Except for reverse vending machines as provided in subsection 2525(c) below, the recycling centers shall prepare and maintain a copy of a press pre-numbered receipt or a receipt produced by an automatic computer-generated numbering system that cannot be altered by the participant, for any purchase or donation of empty beverage containers in the amount of fifty dollars (\$50.00) or more in refund value. A copy of the receipt shall be provided to the person selling or donating the material, and shall include all of the following information:

(1) The total weight or count of materials by material type (the recycling center shall comply with section 2535(f)(g) but may treat different colors of glass

as different material types only for recordkeeping purposes pursuant to this section); and

(2) The total payment made by the recycling center or the amount paid for each material type; and

(3) The basis for the refund value payment (e.g., segregated and counted, segregated and weighed, commingled, or, if no refund value is paid, indicate scrap only); and

(4) The certification number of the recycling center; and

(5) The date of the sale or donation; and

(6) The printed name and signature of the person selling or donating the material, or a statement explaining why such could not be obtained; and

(7) Additional information identifying the person selling or donating the material. The additional information shall be either: the person's valid driver license number and state of issuance or vehicle license number and state of issuance. If neither identifying item is available, a California Identification Card number may be substituted. In the absence of any of these items of identification, a statement shall be required explaining why the additional information could not be obtained.

(b) Except for reverse vending machines as provided in subsection 2525(c) below, for all purchases or donations with a total refund value of less than fifty dollars (\$50.00), the recycling center shall either prepare a receipt pursuant to subsection 2525(a), or shall maintain a log setting forth the information required by subsections (a)(1) through (a)(6) above. Any item of additional identifying information specified in subsection 2525(a)(7) above may be substituted for the printed name of the person selling or donating the material.

(c) For all material received from a reverse vending machine owned or operated by the recycling center, the recycling center shall prepare a receipt or log each time material is removed from the reverse vending machine, or if material is removed more than once a day, on a daily basis. The receipt or log shall set forth the meter reading, date, total weight, and certification number. Recycling centers shall retain such receipts or logs in their records along with the copies of any receipts issued by the machine. For redemption transactions other than machine transactions, receipt and log requirements pursuant to 2525(a) or (b) shall be followed.

(d) For all donations made anonymously, such as those left at the recycling center when the recycling center is not open for business, the recycling center shall prepare a receipt or log setting forth the information required by subsections 2525(a)(1) through (a)(5) above. The refund value stated on such a receipt shall be based on the applicable commingled rate. Such receipts or log entries shall be prepared on at least a daily basis for all days when the recycling center receives anonymous donations.

(e) The recycling center shall retain a copy of any shipping report which the recycling center prepares or receives from another recycling center pursuant to section 2530 of these regulations.

(f) The recycling center shall retain a copy of the weight ticket prepared by the recycling center, or provided by the person receiving material from the recycling center, describing the weight of shipped material by material type.

(g) The recycling center shall retain a copy of any report to the Division for handling fee prepared pursuant to section 2530 of these regulations.

(h) The recycling center shall prepare and retain a receipt setting forth the information required by subsection (b) of this section for all scrap transactions. In addition, the receipt shall indicate whether the load consisted of rejected containers, line-breakage containers, or out-of-state beverage containers.

(i) The recycling center shall prepare and retain daily summaries of all receipt and log transactions, including donations, for each shipping report. The summaries shall contain the total weight and the corresponding refund value for each day of the shipping report period.

(j) Records of allowable costs. Recycling centers shall maintain records containing the information specified at section 2960(b)(1) through (12), inclusive.

(k) Certified recycling centers collecting materials pursuant to section 2500(h) shall, in addition to subsections (a) through (j) of this section, do both of the following:

(1) Maintain a written agreement at the recycling center which is between the recycling center and the church, school, business where beverages are consumed, or other community service organization. The agreement must include, at a minimum, the following:

(A) The name, address, and certification number of the recycling center, as well as the name and phone number of a contact person at the recycling center; and

(B) The name and address of the organization to be served by the recycling center, as well as the name and phone number of a contact person at the organization; and

(C) Language, typed or legibly handwritten in English, which states the agreement between the recycling center and the organization and includes the material type of beverage containers to be picked up and the method of determining the weight of beverage containers picked up.

(2) Prepare, issue and maintain a receipt for the transaction, regardless of the amount of the transaction. The receipt shall be in the form of a press pre-numbered receipt and shall include all of the information specified in Section 2525(a)(1) through (a)(6) and section 2525(k)(1)(B) of these regulations.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14537, 14538, 14552, 14571.9, 14575 and 14585, Public Resources Code.

§2535. PAYMENTS TO CONSUMERS, CURBSIDE PROGRAMS, COMMUNITY SERVICE PROGRAMS AND DROPOFF OR COLLECTION PROGRAMS.

(a) Recycling centers shall pay on delivery the refund value for every empty beverage container not donated to the recycling center.

(b) ~~For deliveries of more than fifty (50) empty beverage containers, payment shall be based on weight.~~ For deliveries to a recycling center, except reverse vending machines:

(1)The consumer has the option of being paid based on count for up to 50 empty beverage containers of each material type.

(2)The recycler may pay based on count for all deliveries of empty beverage containers received from consumers.

~~(c) For deliveries to recycling centers, except reverse vending machines~~

~~operated by recycling centers, of fifty empty beverage containers or less, the person delivering the empty beverage containers shall have the option of being paid based upon either the weight or the number of empty beverage containers.~~

(c)(d) Notwithstanding any other provision of this subchapter, recycling centers shall not pay dropoff or collection, community service, and curbside programs more than the relevant commingled rate.

(d)(e) Calculation of Payment.

(1) If the material received from consumers is segregated, as determined by the load inspection required by section 2501 of these regulations, and payment is based upon weight, payment shall be calculated by multiplying the actual weight of the empty beverage containers, by the applicable segregated refund value per pound for the relevant material type.

(2) If the payment is based on the actual number of empty beverage containers (deliveries of fifty or less), the payment shall be based upon the following:

(A) in the case of recycling centers other than a reverse vending machine, the number of the empty beverage containers, multiplied by the refund value per empty beverage container for the relevant material type and size; or,

(B) in the case of a reverse vending machine, the number of empty beverage containers, multiplied by the refund value per empty beverage container for the relevant material type and size. If the reverse vending machine accepts empty beverage containers in gross, rather than by individual containers, and pays based on weight, the payment shall be based on the applicable refund value per pound rate.

(3) For commingled materials, payment shall be based on the actual weight of the commingled material multiplied by the applicable statewide average commingled rate, or the Division's approved individual commingled rate, for the relevant material type.

(e)(f) Recycling centers shall have the option to refuse to accept empty beverage containers which, in the opinion of the recycling center, are excessively contaminated with dirt, moisture, or other foreign substances ("shrinkage"). Alternatively, recycling centers may adjust downward the refund value per pound used to calculate payment by the ratio of such substances to empty beverage containers.

(f)(g) A certified recycler shall not pay the refund value to, or claim refund value for any material received from any person, operation or entity who is not certified by the Division, delivering a load of material in excess of 500 pounds of aluminum or plastic beverage containers, or 2,500 pounds of glass beverage containers, per day. This limitation is applicable to all transactions, including those performed pursuant to section 2500(h) of these regulations.

(1) It is a violation of this Section for a recycling center to split loads in excess of the aforementioned weights, or accept during any one day an aggregate total of material in excess of the aforementioned weights from any person not certified by the Division.